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Commission on Narcotic Drugs
Reconvened fifty-seventh session
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Item 12 of the provisional agenda*
Policy directives to the drug programme of the United Nations Office on Drugs and Crime and strengthening the drug programme and the role of the Commission on Narcotic Drugs as its governing body, including administrative, budgetary and strategic management questions

Commission on Crime Prevention and Criminal Justice
Reconvened twenty-third session
Vienna, 4-5 December 2014
Item 3 of the provisional agenda**
Strategic management, budgetary and administrative questions

Work of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime

Note by the Secretariat

Addendum

Summary

The present note has been prepared pursuant to Economic and Social Council decision 2013/246, in which the Council renewed the mandate of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime until the first half of 2015, as well as Commission on Narcotic Drugs resolutions 52/13, 54/10, 54/17 and 56/11 and Commission on Crime Prevention and Criminal Justice resolutions 18/3, 20/1, 20/9 and 22/2. The present note covers the work of the working group between 12 February and 1 October 2014.

* E/CN.7/2014/1/Add.1.
** E/CN.15/2014/1/Add.1.

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I. Deliberations

1. Between 12 February and 1 October 2014, the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime held four informal meetings. It continued to consider issues under the items of the agenda approved by the Economic and Social Council in its decision 2013/246 and by the Commission on Narcotic Drugs in its resolution 52/13 and the Commission on Crime Prevention and Criminal Justice in its resolution 18/3 and in accordance with the terms of reference annexed to those resolutions, as well as with provisions contained in Commission on Narcotic Drugs resolutions 54/10, 54/17 and 56/11 and Commission on Crime Prevention and Criminal Justice resolutions 20/1, 20/9 and 22/2.

2. At its meeting held on 12 February, the group was provided with an overview of the progress made in the implementation by the United Nations Office on Drugs and Crime (UNODC) of its thematic programme on crime prevention and criminal justice reform for the period 2012-2015, which focused on assisting Member States in developing, using and applying the relevant United Nations standards and norms and was implemented through global, regional and country programmes. The meeting was also briefed on the achievements and priorities of the Global Programme on Support to Crime Prevention and Criminal Justice Reform, and the Maritime Crime Programme. Updates were provided on the strategic framework for the period 2014-2015 and the progress made in developing the strategic framework for the period 2016-2017. Participants were reminded that the latter document was to be discussed by the Committee for Programme and Coordination in New York in June 2014, allowing for comments from the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice to be taken into account. Speakers made initial comments on, inter alia, the need to refer in the document to the sustainability of field offices and the need to reflect in a balanced way both the drug and crime control components of the work of the Office. Finally, the group was briefed on measures to improve the gender balance of UNODC at the senior level and was informed that women at all levels in UNODC represented more than 50 per cent of the workforce. Questions were raised by participants on geographical representation, and they indicated that UNODC should broaden the geographical diversity of its professional workforce.

3. At the meeting held on 23 June, the group was presented with an update on the implementation of the regional programme for Eastern Africa for the period 2009-2015, which covered countering trafficking, organized crime and terrorism, fighting corruption, promoting justice and integrity and improving health and human development. Over the years, there had been an expansion of the funding base and project portfolio and requests for assistance from Member States were increasing. The dependence on voluntary funding was a challenge, as was the security situation in the region. A presentation was also given on the new regional programme for the period 2014-2016 in support of the Crime and Security Strategy of the Caribbean Community, which was aimed at promoting regional cooperation and a coordinated response to the threat of transnational organized crime, and on the new Global Programme for Combating Wildlife and Forest Crime for the period 2014-2018, which was aimed at delivering technical assistance in areas such as the illegal trade in wild fauna and flora and the international trade in illegally

logged timber. Responding to queries on the latter programme, the Secretariat gave details on its contributions to the Conference of the Parties to the United Nations Convention against Transnational Organized Crime and its collaboration with other organizations with a mandate in that area such as the World Customs Organization, the International Criminal Police Organization (INTERPOL) and the Food and Agriculture Organization of the United Nations.

4. Presentations were also made on the implementation of Commission on Narcotic Drugs resolution 56/17 and Commission on Crime Prevention and Criminal Justice resolution 22/9. Issues covered included full cost recovery at selected regional and field offices, efficiency measures under consideration by the Office and use of general purpose and programme support cost funds in the consolidated budget for the biennium 2014-2015. The Office's commitment to fairness and consistency in the calculation, absorption and presentation of full cost recovery across donors and programmes was stressed. Some of the delegations expressed support for the full cost recovery model and stressed that it was important to review its effectiveness and feasibility in the coming months. Overall, Member States felt that there was a need for a more structured approach and further discussion with Member States, including in the context of the working group, about issues related to full cost recovery and the financial situation of UNODC, including on the use of general-purpose and programme support cost funds. It was also stressed that it was necessary to apply full cost recovery evenly between field offices and headquarters and for UNODC to receive further support from countries hosting field offices. Reference was also made to the cost implications of implementing the International Public Sector Accounting Standards and Umoja, the enterprise resource planning software for the management of finances, resources and assets that will be the central administrative tool of the United Nations. In replying to the observations by delegations, UNODC reiterated that the introduction of the full cost recovery model in the present biennium of transition had been made necessary by a constant decline in general-purpose funds and the need to achieve sustainability.

5. The meeting also considered the findings of the in-depth evaluation of the UNODC country programme for Pakistan, including recommendations on the programme's strategic direction with regard to Afghanistan in a post-2014 context. Speakers stressed the need to ensure the sustainability of the country programme by fostering partnerships and cooperation with other United Nations agencies present in the country. Finally, the working group approved its calendar of meetings and provisional programme of work for the period June-December 2014, and the inclusion of the topic "Strengthening the financial situation and governance of UNODC: Implementation of Commission on Narcotic Drugs resolution 56/17 and Commission on Crime Prevention and Criminal Justice resolution 22/9" as a standing item on the agenda for that period.

6. At the meeting held on 5 September, a presentation was made on the findings and recommendations of the mid-term evaluation of the UNODC Global Programme on HIV/AIDS, which was aimed at promoting universal access to HIV prevention, treatment, care and support for people who inject drugs and for people living in prisons. The meeting was informed that all recommendations had been accepted and appropriate follow-up actions were being taken by UNODC. Speakers expressed appreciation for the Global Programme. The importance of cooperation with other

groups and civil society involved in HIV/AIDS activities for sharing knowledge and lessons learned was stressed. Some delegations asked for clarification about the mandate of UNODC with regard to HIV/AIDS and mentioned that activities in that area should be part of and proportionate to those undertaken in drug abuse prevention, treatment and rehabilitation. The importance of considering gender and human rights as cross-cutting issues was also raised. Presentations were made on the status of implementation of full cost recovery, covering aspects such as full cost recovery retroactivity for pre-2014 pledges, costing principles and guidelines on apportioning costs to general-purpose funds, special-purpose funds and programme support costs, and cost-efficiencies at headquarters and in the field. Delegations stressed the need for transparency and consistency in the application of the full cost recovery model and asked questions on the effects of its implementation in the field and at headquarters. Several speakers recognized that delivery of technical assistance projects was a strength of UNODC and said that full cost recovery should not undermine field work. Further questions were raised on the future treatment of offices with programme levels that could not sustain full cost recovery. The downward trend in general-purpose funds was widely acknowledged as an ongoing challenge for UNODC and some noted the risk that the full cost recovery model could result in a further decrease of those funds. Delegations requested clarity on the uses of general-purpose funds and programme support costs and stressed the need to establish guidelines on the use of general-purpose funds for programmatic shortfalls. In referring to cost-efficiencies, some noted that, in addition to considering cost-saving measures affecting posts at field offices, efficiencies at headquarters should also be considered. In replying to questions and observations, UNODC representatives reiterated that the full cost recovery model was applied across the United Nations, but noted that full cost recovery was not a solution to all funding needs and that the Office continued to require general-purpose funds to operate effectively. The definition and objectives of results-based management and its implementation in UNODC were introduced and information was given on the standardized online planning and reporting tools and the reporting process. UNODC stressed the importance of having harmonized delivery goals and implementing logical frameworks across the Office, as well as measuring the impact of assistance by measuring long-term outcomes in addition to immediate results. Finally, UNODC presented, as a possible funding mechanism, an annual appeal or pledging conference based on an annual programme report and compendium of funding requirements. The meeting was further informed that a special funding event would be held in 2015 with the aims of seeking indicative contributions from Member States and allowing for realistic planning for future programmes. Sustainable resources were required for that new corporate initiative.

7. At the meeting held on 1 October, presentations were made on full cost recovery implementation, covering aspects such as retroactivity in relation to funding agreements concluded with donor Member States, transition and expected outcomes and comparison with funding models of other United Nations entities. As an example, participants were provided with an overview of full cost recovery implementation in and its impact on the UNODC Regional Office for West and Central Africa, including information on the relevance and programme of work of the Regional Office, its financial structure and current full cost recovery status. The issue of the use of programme support costs in the field was also raised. The importance of ensuring a balance between reaching the established goals of

UNODC and the implementation of full cost recovery in the field and at headquarters was stressed. Delegations also raised concerns about the timely delivery of technical assistance and mentioned the importance of a substantive dialogue between donors and UNODC. The disproportion between general-purpose and special-purpose funds was again noted. Reference was also made to the integrated programming approach and the necessary coherence among the thematic and geographic aspects of the work of UNODC, and to the need for unified accountability and results-based reporting. Participants were provided with an update of the work of the Independent Evaluation Unit of UNODC, covering aspects such as evaluation tools and the promotion of an evaluation culture within UNODC. Delegations were provided with an overview of finalized and ongoing evaluations. The inclusion of cross-cutting issues, such as gender equality and human rights in evaluations, was also highlighted.

II. Organizational and administrative matters

8. The working group held four informal meetings in the reporting period, on 12 February, 23 June, 5 September and 1 October 2014. Further meetings are scheduled for 20 November and 2 December 2014.

9. The Secretariat continued to provide documents and information to the working group in both electronic format and hard copy, including through a public web page on the website of UNODC and through a secure web page restricted to Member States, aimed at providing them with access to information of interest.